

Department of Employment Services

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Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$85,619,509	\$88,566,132	\$88,846,102	0.3
FTEs	529.0	541.0	520.2	3.9

The mission of the Department of Employment Services (DOES) is to plan, develop, and deliver employment-related services to residents of the Washington Metropolitan Area so they can achieve workplace security and economic stability.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Provide 90 percent of the employees with access to an Information Technology (IT) system that supports them in the conduct of agency operations; achieve an 80 percent reduction in current and future paper document usage and storage; establish a data warehouse that incorporates 80 percent of current separate databases; and provide that 75 percent of programs offer electronic access to services for customers (by the end of FY 2005).
- Develop succession/knowledge retention plans for 35 percent of defined mission-critical functions and continue to provide training programs for at least 50 percent of the department's workforce per year to ensure that personnel have the skills and abilities to successfully fulfill agency objectives (by the end of FY 2005).
- Enhance employability and reduce the skill gap between available jobs and customer capabilities through a 5 percent increase in the entered-employment rate; prepare an annual survey of the local labor market to identify high-demand occupations (by the end of FY 2005).
- Enhance the use of the dispute resolution processes of the Labor Standards Bureau through a 10 percent increase in worker's compensation mediation; a 10 percent increase in wage-hour audits; and a 10 percent increase in safety consultations (by the end of FY 2006).

Funding by Source

Tables CF0-1 and 2 show the sources of funding and FTEs by fund type for the Department of Employment Services.

Table CF0-1

FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Local Fund	8,419	12,795	10,154	14,461	4,307	42.4
Special Purpose Revenue Fund	15,527	20,753	21,771	26,436	4,665	21.4
Total for General Fund	23,946	33,548	31,925	40,896	8,972	28.1
Federal Payments	0	500	0	0	0	0.0
Federal Grant	47,679	44,274	49,242	44,490	-4,752	-9.7
Total for Federal Resources	47,679	44,774	49,242	44,490	-4,752	-9.7
Private Grant Fund	-216	76	0	0	0	0.0
Total for Private Funds	-216	76	0	0	0	0.0
Intra-District Fund	7,912	7,222	7,400	3,460	-3,940	-53.2
Total for Intra-District Funds	7,912	7,222	7,400	3,460	-3,940	-53.2
Gross Funds	79,321	85,620	88,566	88,846	280	0.3

Table CF0-2

FY 2005 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
General Fund						
Local Fund	115	34	25	19	-6	-23.8
Special Purpose Revenue Fund	116	122	152	148	-4	-2.3
Total for General Fund	231	155	177	168	-10	-5.4
Federal Resources						
Federal Grant	274	338	326	322	-4	-1.1
Total for Federal Resources	274	338	326	322	-4	-1.1
Intra-District Fund	5	35	38	30	-8	-19.9
Total for Intra-District Funds	5	35	38	30	-8	-19.9
Total Proposed FTEs	510	529	541	520	-21	-3.8

Expenditures

Table CF0-3 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table CF0-3

FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

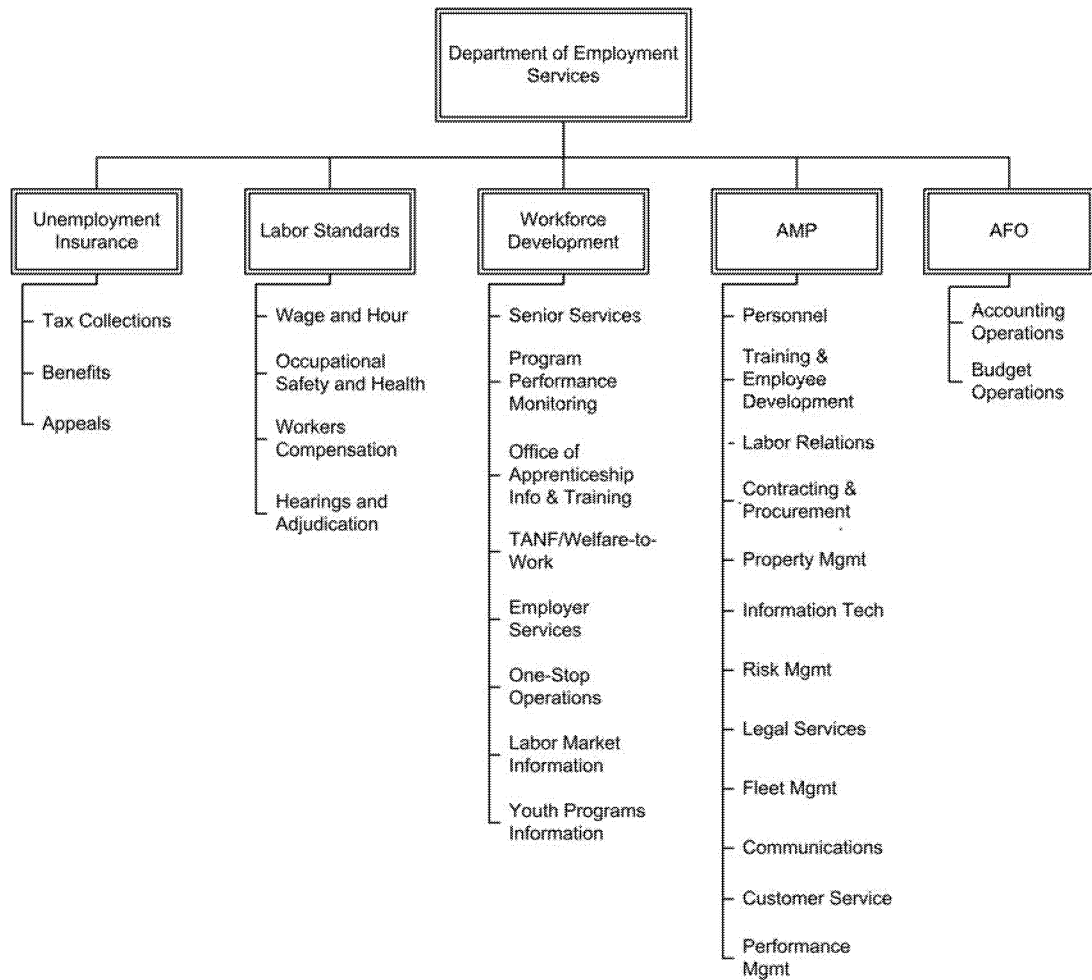
Comptroller Source Group	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	23,277	24,662	24,405	25,586	1,180	4.8
12 Regular Pay - Other	787	1,405	2,546	1,764	-782	-30.7
13 Additional Gross Pay	253	187	162	129	-33	-20.3
14 Fringe Benefits - Curr Personnel	4,054	4,550	4,302	4,638	336	7.8
15 Overtime Pay	418	304	173	197	23	13.4
Subtotal Personal Services (PS)	28,789	31,107	31,589	32,314	725	2.3
20 Supplies And Materials	822	681	565	567	2	0.3
30 Energy, Comm. And Bldg Rentals	-193	3	224	61	-163	-72.6
31 Telephone, Telegraph, Telegram, Etc	1,061	998	1,041	621	-420	-40.4
32 Rentals - Land And Structures	1,640	7,317	7,358	7,445	87	1.2
33 Janitorial Services	1	2	0	1	1	100.0
34 Security Services	1,125	1,099	1,321	1,036	-285	-21.6
35 Occupancy Fixed Costs	0	0	0	2	2	100.0
40 Other Services And Charges	10,992	10,224	9,428	8,848	-579	-6.1
41 Contractual Services - Other	3,137	3,660	0	6,210	6,210	100.0
50 Subsidies And Transfers	29,672	29,034	35,484	29,965	-5,519	-15.6
70 Equipment & Equipment Rental	2,275	1,494	1,556	1,776	220	14.1
Subtotal Nonpersonal Services (NPS)	50,532	54,512	56,977	56,532	-445	-0.8
Total Proposed Operating Budget	79,321	85,620	88,566	88,846	280	0.3

Funding by Source

The Department of Employment Services has the following program structure:

Figure CF0-1

Department of Employment Services



Gross Funds

The proposed budget is \$88,846,102, representing a change of 0.3 percent from the FY 2004 approved budget of \$88,566,132. There are 520.2 FTEs for the agency, a decrease of 21.0, or 3.9 percent, from the FY 2004 approved budget.

General Fund

Local Funds. The proposed Local funds budget is \$14,460,866 in FY 2005, an increase of \$4,307,189 over the FY 2004 approved budget. The Local funds budget supports 19 FTEs, a

decrease of 6 from the FY 2004 approved budget. Major increases are attributable to the \$2,700,000 to fund the Summer Youth program, \$1,200,000 for the Excel Institute, and \$500,000 for the Offender Reentry Initiative program.

Special Purpose Revenue Funds. The proposed budget is \$26,435,519 for FY 2005, an increase of \$4,664,615 over the FY 2004 approved budget. The Special Purpose Revenue funds budget supports 148.0 FTEs, a decrease of 4.0 from FY 2004 approved budget.

Federal Grant Funds. The proposed Federal Grant funds budget is \$44,489,717 for FY 2005, a decrease of \$4,751,834 or 9.7 percent from the FY 2004 approved budget. The Federal Grant funds budget supports 323.0 FTEs, a decrease of 4 from the FY 2004 approved budget.

Intra-District Funds. The proposed budget is \$3,460,000, a decrease of \$3,940,000 from the FY 2004 approved budget. There are 30.0 FTEs supported by this funding source, a decrease of 8 from FY 2004 approved budget.

Programs

The Department of Employment Services is committed to the following programs:

Unemployment Insurance

	FY 2004	FY 2005
Budget	\$10,164,270	\$14,828,374
FTEs	95.0	94.7

Program Description

The **Unemployment Insurance** program provides income replacement services for workers unemployed through no fault of their own so that they can maintain their purchasing power and thereby contributes to the economic stability of the metropolitan area. This program has three activities:

- **Tax Collection** - provides registration, tax processing, and collection services to Washington metropolitan area employers so they can provide Unemployment Insurance coverage for their employees and qualify for the Federal Unemployment Tax Credit.
- **Unemployment Insurance Benefits** - provides cash payments to customers who are unemployed through no fault of their own so they can meet their economic needs until they re-enter the workforce.
- **Unemployment Insurance Appeals** - provides formal hearings and renders decisions to claimants and employers so they can receive benefit entitlements when due or have inappropriate charges reversed.

Program Budget Summary

This program has a gross funds increase of \$4,664,104, or 45.8 percent over the FY 2004 approved budget of \$10,164,270. This includes a Federal Grant funds decrease of \$581,844 and a Special Purpose Revenue funds increase of \$5,245,948. This change is primarily due to the reduction in the Unemployment Insurance grant, offset by increases in the Special Purpose Revenue funds to establish carryover funds for the Surcharge Account, the Interest and Penalties account, and the Reed Act funds, which are dollars that are being distributed by the federal government to states to pay for the administration of unemployment insurance and employment services. The funding for the Reed Act distribution comes from trust funds created by the federal unemployment insurance tax (FUTA). The gross budget supports 94.7 FTEs, no change from the FY 2004 approved level.

Key Result Measures

Program 1: Unemployment Insurance

Citywide Strategic Priority Area(s): Making

Government Work; Strengthening Children, Youth, Families, and Elders

Manager(s): TBD

Supervisor(s): Gregory P. Irish, Director

Measure 1.1: Percent of new unemployment insurance status determinations made within 90 days of the ending date of the first quarter of liability

	Fiscal Year		
	2004	2005	2006
Target	60	60	60
Actual	-	-	-

Note: Agencies are establishing their cost-saving projects during the second-third quarters of FY 2003.

Measure 1.2: Percent of all intrastate first unemployment insurance payments made within 14 days of the first compensable week-ending date

	Fiscal Year		
	2004	2005	2006
Target	80	85	85
Actual		-	-

Measure 1.3: Percent of unemployment insurance first level appeals decisions made within 30 days of the date appeal is filed

	Fiscal Year		
	2004	2005	2006
Target	60	60	60
Actual	-	-	-

Labor Standards

	FY 2004	FY 2005
Budget	\$13,620,829	\$17,243,077
FTEs	117.0	122.0

Program Description

The **Labor Standards** program provides worker protection and dispute resolution services for the workers and employers of the District of Columbia so that disputes are resolved fairly and the safety of the workplace is ensured. This program has four activities:

- **Wage-Hour** - provides enforcement of the District's wage-hour laws for the benefit of private sector employees, ensuring that private sector employees are paid at least the mandated minimum wage, overtime (when required), and all earned and promised wages.
- **Occupational Safety and Health (OSH)** - provides inspections, consultations, investigations, training, and program assistance to private sector employers so they can identify and correct hazards and dangerous workplace conditions.
- **Workers Compensation** - provides claims processing, informal dispute resolution, insurance coverage compliance monitoring, and related services to private sector injured workers, employers, insurance carriers, and other stakeholders to provide timely, accurate, fair, and equitable compensation benefits and medical services to persons sustaining work-related injuries.
- **Hearings and Adjudication** - provides formal administrative hearings to employees, employers, and the District government so that rights and responsibilities are determined fairly, promptly, and according to due process.

Program Budget Summary

This program has a gross funds increase of \$3,622,248, or 26.6 percent over the FY 2004 approved budget of \$13,620,829. This includes a Local funds increase of \$61,077; a Federal Grant funds increase of \$28,435, a Special Purpose Revenue funds increase of \$3,743,412, and an Intra-District funds decrease of \$210,676. This change is due in part to realignment of the locally funded FTEs within the Wage Hour activity. The increase in Federal funds represents the additional funding for the Occupational Safety and Health grant from the Department of Labor. The increase in Intra-District funds represents increased budget authority for the Workers' Compensation Special fund, the Workers' Compensation Administration, which will fund the additional costs for the fraud unit within the Workers' Compensation Office, and salary changes due to union pay increases. The gross budget supports 122.0 FTEs, an increase of 5.0 FTEs over the FY 2004 approved level. This increase represents positions to be funded in the Workers' Compensation Compliance Unit.

Key Result Measures

Program 2: Labor Standards

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): TBD

Supervisor(s): Gregory P. Irish, Director

Measure 2.1: Percent of wages collected from employers on valid complaints

	Fiscal Year		
	2004	2005	2006
Target	75	75	75
Actual	-	-	-

Note: Agencies are establishing their cost-saving projects during the second-third quarters of FY 2003.

Measure 2.2: Percent of hazards corrected by the abatement date

	Fiscal Year		
	2004	2005	2006
Target	90	90	90
Actual	-	-	-

Measure 2.3: Percent of "Memorandum of Informal Conferences" issued within 20 working days following conduct of informal conferences to resolve

	Fiscal Year		
	2004	2005	2006
Target	75	75	75
Actual	-	-	-

Measure 2.4: Percent of compensation orders issued within 45 working days of close of the fiscal year

	Fiscal Year		
	2004	2005	2006
Target	75	80	80
Actual	-	-	-

Workforce Development

	FY 2004	FY 2005
Budget	\$41,835,721	\$35,531,276
FTEs	199.7	174.8

Program Description

The **Workforce Development** program provides employment-related services for unemployed or underemployed persons so they can achieve economic security. This program has eight activities:

- **Senior Services** - provides subsidized employment placements to District residents who are 55 years old or older and economically underprivileged. Senior Services enables these individuals to develop or enhance their job skills and be placed in unsubsidized employment so they can improve their economic condition.
- **Apprenticeship Information and Training** - provides apprenticeship services and assistance to District residents and apprenticeship sponsors. As a result, qualifying individuals have access to increased employment and training opportunities through the apprenticeship system.
- **Welfare-to-Work** - provides employment related services that assist TANF recipients and non-custodial parents to become self-sufficient. Services include employment readiness workshops, case management, job coaching, job club, and supportive services. Welfare-to-Work operates Project Empowerment, an initiative conducted in partnership with the Department of Human Services to assist welfare recipients to enter

unsubsidized employment and achieve financial self-sufficiency.

- **One-Stop Operations** - provides comprehensive employment support, unemployment compensation, training services, and supportive services through a network of easily accessible locations. These services are made available to the residents of the Washington, D.C. metropolitan area to increase their employability and enhance their earnings potential.
- **Youth Programs** - provides employment, training, and related services to District residents between the ages of 14 and 21 so they can remain and advance in school, obtain and retain employment, and access post-secondary education/training opportunities.
- **Labor Market Information** - provides economic trend analysis, data, statistics, and informational services to the U.S. Department of Labor Bureau of Labor Statistics, DOES staff, District policy-makers, and local employers so they can make informed employment policy decisions.
- **Employer Services** - operating within the context of the One-Stop system, provides recruitment, referral, and placement assistance to area employers. One-Stop activities and services are linked through Virtual One-Stop, a state-of-the art electronic network.
- **Program Performance Monitoring** - provides compliance, oversight, and technical assistance to training vendors, procurement staff, and departmental administrators.

Program Budget Summary

This program has a gross funds decrease of \$6,304,445, or 15.1 percent from the FY 2004 approved budget of \$41,835,721. This includes a Local funds increase of \$4,652,567, a Federal Grant funds decrease of \$6,597,035 and an Intra-District funds decrease of \$4,359,977. The change in Local funds includes an increase of \$2,700,000 for the Summer Youth program, \$1,200,000 for the Excel Institute and \$500,000 for the Offender Reentry Initiative program. The decrease in Federal funds represents reductions in the Workforce Investment grants allocation from the Department of Labor.

The Intra-District budget reduction reflects decreases in the TANF funds from the Department of Human Services and the Office of Risk Management for Hearing and Adjudication functions, offset by a transfer out of funds to other programs. The gross budget supports 175.0 FTEs, a decrease of 25.0 FTEs from the FY 2004 approved level, which resulted from the reduction of the Federal Grant funds allocation from the Department of Labor.

Key Result Measures

Program 3: Workforce Development

Citywide Strategic Priority Area(s): Making

Government Work; Strengthening Children, Youth, Families, and Elders

Manager(s): TBD

Supervisor(s): Gregory P. Irish, Director

Measure 3.1: Percent of senior service slot enrollees placed in unsubsidized jobs

	Fiscal Year		
	2004	2005	2006
Target	20	20	20
Actual	-	-	-

Note: Agencies are establishing their cost-saving projects during the second-third quarters of FY 2003.

Measure 3.2: Percent of training providers furnished technical assistance through formal instruction

	Fiscal Year		
	2004	2005	2006
Target	90	90	90
Actual	-	-	-

Measure 3.3: Percent of District residents successfully completing pre-apprenticeship training transitioning to formal apprenticeship

	Fiscal Year		
	2004	2005	2006
Target	50	50	50
Actual	-	-	-

Measure 3.4: Percent of TANF/Welfare-to-Work participants who enter subsidized employment transitioning to unsubsidized employment

	Fiscal Year		
	2004	2005	2006
Target	40	40	40
Actual	-	-	-

Measure 3.5: Percent of the top 200 employers listing jobs with DOES

	Fiscal Year		
	2004	2005	2006
Target	20	20	20
Actual	-	-	-

Note: Agencies are establishing their cost-saving projects during the second-third quarters of FY 2003.

Measure 3.6: Percent of unemployed adult customers placed in full-time unsubsidized employment

	Fiscal Year		
	2004	2005	2006
Target	65	70	70
Actual	-	-	-

Measure 3.7: Percentage of youth advancing from one grade level to another (school)

	Fiscal Year		
	2004	2005	2006
Target	-	54	54
Actual	-	-	-

Measure 3.8: Percent of data, estimates, reports and publications submitted within established timeframes

	Fiscal Year		
	2004	2005	2006
Target	95	95	95
Actual	-	-	-

Agency Management

	FY 2004	FY 2005
Budget	\$20,810,704	\$19,108,767
FTEs	129.0	108.0

Program Description

The Agency Management program provides operational support to the agency so that it has the tools to achieve operational and programmatic results. This program is standard for all Performance-Based Budgeting agencies. More information about the Agency Management program can be found in the Strategic Budgeting chapter.

Program Budget Summary

This program has a gross funds decrease of \$1,701,937, or 8.2 percent from the FY 2004 approved budget of \$20,810,704. This includes a Local funds decrease of \$525,966; a Federal Grant funds decrease of \$2,823,952, a Special Purpose Revenue funds decrease of \$1,053,408,

and an Intra-District funds increase of \$566,781. This change is primarily due to transfer of funds to the Agency Financial Operations program for its establishment. The increase in Intra-District funds represents allocations for fixed costs from the TANF program. The gross budget supports 107.0 FTEs; a decrease of 22.0 from the FY 2004 approved level. The gross budget supports 107 FTEs, a decrease of 22.0 FTEs from the FY 2004 approved level.

Key Result Measures

Program 4: Agency Management

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): TBD

Supervisor(s): Gregory P. Irish, Director

Measure 4.1: Dollars saved by agency-based labor management partnership project(s)

	Fiscal Year		
	2004	2005	2006
Target	-	-	-
Actual	-	-	-

Note: Although agencies established their initial labor-management partnership projects in FY 2003, very few had cost savings as objectives. Agencies will continue ongoing projects and/or establish new projects by the third quarter of FY 2004. Cost savings will be tracked for this measure for those projects that have cost savings as a key object.

Measure 4.2: Percent variance of estimate to actual expenditure (over/under)

	Fiscal Year		
	2004	2005	2006
Target	20	20	20
Actual	-	-	-

Measure 4.3: Cost of Risk

	Fiscal Year		
	2004	2005	2006
Target	20	20	20
Actual	-	-	-

Note: This measure replaces "Percent reduction of employee lost work-day injury cases." Cost of Risk will be a comprehensive measure of a wide range of risks confronting each agency, including but not limited to safety issues, financial risks, and potential litigation. Agencies will establish a baseline in FY 2004 (FY 2005 for PBB III agencies) and will seek to achieve reductions in the Cost-of-Risk in subsequent years. Lost workdays due to injuries will be one of many components of the Cost-of-Risk formula (1/9/04).

Measure 4.4: Rating of 4-5 on all four telephone service quality criteria: 1) Courtesy, 2) Knowledge, 3) Etiquette and 4) Overall Impression

	Fiscal Year		
	2004	2005	2006
Target	4	4	4
Actual	-	-	-

Measure 4.5: Percent of Key Result Measures achieved

	Fiscal Year		
	2004	2005	2006
Target	70	70	70
Actual	-	-	-

Agency Financial Operations

	FY 2004*	FY 2005
Budget	\$2,134,608	\$2,134,608
FTEs	21.0	20.6

Note: FY 2004 program funding levels are presented for comparison purposes only. The Agency Financial Operations program did not exist for FY 2004 as it is new for PBB agencies in FY 2005.

Program Description

The purpose of the Agency Financial Operations program is to provide comprehensive and efficient financial management services to and on behalf of District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all Performance-Based Budgeting agencies. More information about the Agency Financial Operations program can be found in the Strategic Budgeting Chapter.

Program Budget Summary

This program has a proposed budget of \$2,134,608 and 20.6 FTEs in FY 2005.

For more detailed information regarding the proposed funding for the activities within this agency's programs, please see schedule 30-PBB in the FY 2005 Operating Appendices Volume.

